

Message Text

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ORIGIN AF-10

INFO OCT-01 ISO-00 INT-05 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 L-03
ARA-06 STR-04 SS-15 NSC-05 /092 R

DRAFTED BY AF/W:DBDLOUHY:BA
APPROVED BY AF/W-RGHOUEK
-----111236Z 013215 /43
R 110504Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY CONAKRY

C O N F I D E N T I A L STATE 106614

E.O. 11652: GDS

TAGS: EMIN

SUBJECT: US STEEL/MIFERGUI NIMBA IRON ORE PROJECT

1. US STEEL CORP. ANNOUNCED MAY 8 ITS EXPECTED WITHDRAWAL FROM THE BRAZILIAN CARAJAS IRON ORE PROJECT. THE COMPANY'S 49 PERCENT SHARE IN AMAZONIA MINERACAO S.A. WILL PROBABLY BE PURCHASED BY THE BRAZILIAN STATE MINING FIRM OF CIA. VALE DE RIO DOCE. THE PURCHASE PRICE WILL BE BETWEEN DOLS 50 AND DOLS 55 MILLION, WHICH IS EQUAL TO THE INVESTMENT MADE BY US STEEL. US STEEL CHAIRMAN EDGAR B. SPEER EXPECTS ANNOUNCEMENT OF THE SALE TO BE MADE LATER THIS WEEK.

2. ACCORDING TO WORLD BANK, US STEEL ACTION NOW CLEARS THE WAY FOR PARTICIPATION IN MIFERGUI NIMBA PROJECT. WHILE US STEEL BEING EXTREMELY CIRCUMSPECT IN ITS REMARKS, WORLD BANK NOW BELIEVES US STEEL INTEREST 90 PERCENT CERTAIN.

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3. AS WITH PREVIOUS KAISER ANALYSIS US STEEL FEELS MIFERGUI PROJECT IS MARGINAL AND HINGES ON LAMCO AND GOVERNMENT OF LIBERIA.WHETHER LAMCO WILL AGREE TO REASONABLE TRANSPORT COST AND GOL WILL IMPOSE EXPORT TAX ARE DETERMINING FACTORS IN PROJECT FEASIBILITY.

4. UPON ANNOUNCEMENT OF SALE OF BRAZILIAN INTERESTS
IT IS LIKELY US STEEL WILL BE PREPARED TO MAKE MOVE TO
OPEN NEGOTIATIONS WITH GOG. US STEEL MANAGEMENT UNDER-
STANDS SIGNIFICANCE OF MAY 14 DATE AND POSSIBLE BENEFITS
WHICH MAY ACCRUE FROM OUR EARLY INDICATION OF INTEREST.
HOWEVER, WORLD BANK NOT SURE WHETHER US STEEL CAN
CONCLUDE EVEN TENTATIVE AGREEMENT BY THIS DATE.
MEETING OF LAMCO SCHEDULED IN STOCKHOLM MAY 16. THIS
MAY BE MORE IMPORTANT OF TWO DATES TO US STEEL.

CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 11-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Handling Restrictions: n/a
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Review Release Date: n/a
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